(b) what steps Government propose to take to improve the quality of diesel, petrol and other products produced by the public sector refineries?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) No, Sir.

(b) The Government has taken several steps to improve the quality of diesel, petrol and other products produced by the public sector refineries. These, inter alia, include the following:—

(i) Reduction of sulphur content in diesel from 1.0% maximum to 0.25% maximum achieved in the year 2000 in the entire country.

(ii) Reduction of sulphur content in diesel in stages in the four metro cities of Delhi, Mumbai, Chennai and Kolkata as under:
* 1.0% max. to 0.50% max. in 1996.
* 0.50% max. to 0.25% max. in 1998.
* 0.25% max. to 0.05% max. during the period April 2000 to July 2001.

(iii) Supply of only unleaded petrol achieved in the year 2000 in the entire country.

Investments of about Rs. 10,000 crore have been made for improving the quality of diesel and petrol. The Government has set up an Expert Committee, headed by Dr. R. A., Mashelkar, Director General, Council of Scientific & Industrial Research (CSIR), to recommend to the Government an Auto Fuel Policy for the country. After receipt of its report, the Government would finalise the plans for bringing further improvements in quality.

**Income-tax exemption to Andhra Pradesh Cultural Council**

206. SHRI K. RAJAVENKATA RAO : Will the Minister of FINANCE be pleased to state:

(a) whether the Andhra Pradesh Government has sought income tax exemption for donations to the State cultural foundation being set-up by the Andhra Pradesh Cultural Council to promote diverse cultural activities in the State; and

(b) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN) : (a) Yes, Sir.

(b) Under the provisions of section 80G of the Income tax Act, 100% deduction is allowed to donations made to certain funds of national importance or to certain State funds for disaster management and medical relief to the poor. Other funds enjoy concession of 50% deduction, for which the foundation set up by the Andhra Pradesh Cultural Council would also be eligible.

**States share in small savings**

*207. SHRI S. NIRAIKULATHAN : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reddy Commission has recommended that the entire amount collected from a State under small savings be given to that State itself instead of giving only 80 per cent of the collection;

(b) if so, whether the recommendation has been accepted; and

(c) by when it is likely to be implemented?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) The Expert Committee on administered interest rates and other related issues, set up under the chairmanship of Dr. Y. V. Reddy, Deputy Governor of Reserve Bank of India has, inter-alia, recommended arrangements, for transfer of entire net proceeds under small savings schemes to the concerned State Governments.

(b) and (c) The Committee has also suggested "a wider debate on various issues involving all stakeholders and wider consultation (particularly with the States) in respect of the Committee's recommendations regarding small savings". The report has, accordingly, been placed on the official website of the Ministry of Finance to invite response from the public and the State Governments. The Committee's Report will provide an input into Government's approach on this subject.

**Talks with Employees Association by GIPSA**

*208. SHRI R. SARATH KUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether General Insurance Public Sector Association of India (GIPSA) is a Regulatory Authority and its decisions are binding on Public Sector Insurance Companies;